

Chapter 93

Diversity and Inclusion Management: A Focus on Employee Engagement

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ABSTRACT

Diversity and inclusion have been increasingly recognized and are the most utilized organizational resources over the last three decades. However, research has demonstrated that many organizations may not have the requisite diversity in their midst. Research further highlights that employees might feel that few of their components of their social identities may be valued and included, leaving them feeling excluded. These attitudes may influence employee behaviors, leading to low morale, high absenteeism, low job satisfaction, negative word of mouth, and so on, which will eventually make the estranged employee leave the job/organization. Understanding the impact of diversity and inclusion on individual, group, and organizations performance is analyzed through employee engagement by developing a framework. To develop a framework that provides rigorous theoretical evidence for its ability to determine whether an organization has indeed engendered an inclusive and engaging environment for its employees is the goal of the chapter.

INTRODUCTION

Excellence through diversity-inclusiveness is one of the organization's toughest goals, though the term often raises confusion, tension, and controversy. When people think about diversity, they may begin with ethnicity, race and then gender. However, diversity is a broader term which includes age, gender, ethnicity, physical qualities, ancestry, race, sexual orientation, education, geographical location, income, parental status, marital status and work experience, but not limited to these dimensions (Loden & Rosener, 1991). The term diversity has interpreted in many ways – “any differences in an individual that distinguishes

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from our internal and external groups or a broad range of overt and hidden qualities in a person from others or combination of personality, internal, external and organizational areas” (How, 2007; Johnson, 2003; Moore, 1999; Simmons-Welburn, 1999; Digh, 1998a). These differences are vital and evaluated as the prospects that help in advancing the innovation and technology at the workplace and also bring business and people closer to each other than ever before. Keeping this in view, organizations, business, educational systems and other bodies are exploring new ways to serve their stakeholders better and be successful in the markets.

Workforce diversity has become a potent tool which promotes new ways to accomplish individual as well as organizational goals. Global companies like Starbucks, Deloitte, HCL Technologies, Verizon and many other Fortune companies emphasized that companies must hire people with different skills, gender, race, ethnicity, and ages. Also suggested that managers need to learn how to distribute the diversified workforce evenly and equitably across the company’s divisions (Morais *et al.*, 2014; Lundrigan *et al.*, 2012; SHRM, 2009). Studies stated that productivity, financial performance, and predictions for growth and survival of the organization is mostly influenced by the diversified workgroups (April & Shockley, 2007; Kossek *et al.*, 2004; Fredman & Davidson, 2002). However, a study by Gallup consultancy concluded that diversity might help organizations to accomplish the set goals, but in the long run, inclusiveness matters a lot in the overall corporate growth (Riffkin & Harter, 2016).

The ‘inclusion’ philosophy focuses beyond the concept of *some* and shifts the group effort towards the term *all* (April & Blass, 2010). Moreover, inclusiveness requires a fundamental change in the organizational structure, human resource policies, operational procedures, style of leadership and altogether the culture of the organization (Miller, 1998). It indicates that diversity and inclusion is a total culture change at individual, group and the organizational levels. Further, this was supported by the Thomas & Ely (1996) in their work and concluded that effective implementation and maintenance of diversity and inclusion practices develop positive attitudes and behaviors towards the job and organization. According to Robinson, Perryman & Hayday (2004), employee engagement is defined as “positive attitudes held by the employee towards the organization and its values” (p. 4). Therefore, this chapter identifies the various strategies required to manage the diversified workforce and analyses its impact on the employee engagement and organizations performance.

DIVERSITY AND INCLUSION MANAGEMENT

The subject of diversity management has gained much attention with globalization and recognized its need to satisfy and serve the stakeholders globally. Many managers have experienced in the early 1990s, the new trend in the form of workforce diversity due to the implementation of liberalization, privatization and globalization policy in the Indian markets (Harish & Anil, 1996). Organizational scholars stated that future organizations workforce composition might reach to 90% of women and minorities; many of them would be migrants who may lead to communication challenges; also many racial groups will become part of the company’s businesses (Johnston & Packer, 1987; Caudron, 1990; Griggs, 1995). Organizations that appreciate the need to develop and train all the segments of their workforce to ensure unique and competitive in the markets are responding to a huge variety of approaches to managing their diversified workforce (Jamieson & O’ Mara, 1991).

Several studies defined the term diversity in numerous ways. Diversity is not limited to traditional thinking like race, gender, and disabilities (ASTD, 1996a;1996b). It is “all the way in which people differ

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